

Underemployment and underutilisation 'u-series', March 2026

Headcount and hours-based measures of labour underutilisation covering underemployment, unemployment and the potential labour force

Released 23/04/2026

Source: [Labour Force, Australia, March 2026](#)
[Labour Force, Australia, Detailed, March 2026](#)

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Background

This article provides updated u-series labour underutilisation estimates, for March 2026. This follows on from [the article released alongside the February issue of Labour Force, Australia which introduced the 'u-series' \(/articles/underemployment-and-underutilisation-introducing-u-series\)](#).

The original article remains the primary reference for information on the concepts and measures, underlying framework, u-series derivations, backcasting methods and assumptions used to produce historical estimates, and implementation plans.

Headline u-series

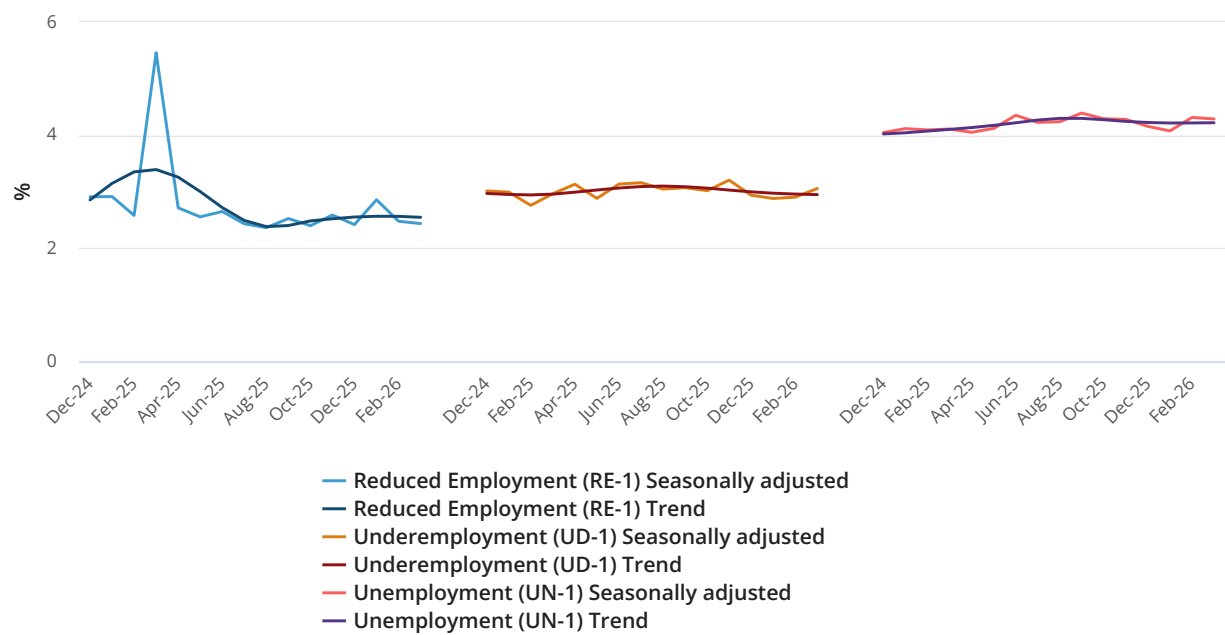
A set of preliminary estimates and charts displaying the '[headline \(/articles/underemployment-and-underutilisation-introducing-u-series#data-downloads\)](#)' u-series measures up to March 2026 are provided below. The data presented may be subject to change as a result of further refinements to the method, including improvements to the compilation and backcasting method.

In seasonally adjusted terms, in March 2026:

- The u-series underemployment rate (UD-1) was 3.1%, up from 2.9% in February.
- The u-series reduced employment rate (RE-1) was 2.4%, down from 2.5% in February.
- The unemployment rate (UN-1) remained steady at 4.3%.
- The u-series labour force underutilisation rate (UU-1) was 9.3%, up from 9.2% in February.

Chart 1 shows trend and seasonally adjusted headline u-series headcount rates from December 2024 to March 2026. While underemployment and unemployment remained relatively stable over this period, reduced employment experienced a peak in March 2025, in part due to impacts from Cyclone Alfred, before stabilising at lower levels.

Chart 1: u-series headline rates



Charts 2 to 5 show seasonally adjusted data for the four level 1 headline series – on both a headcount and hours basis, and as rates – for the period July 2014 to March 2026.

Chart 2 shows that in March 2026 there were 360,000 employed people who worked reduced hours for economic reasons, and 450,000 employed people who were underemployed (that is, they prefer, were available and actively looked for more hours). There were 45,000 people who worked less hours than usual in the reference week but also preferred more hours than usual (so are included in both the UD and RE estimates), so the total number of underutilised employed people in March 2026 was 765,000. There were also 660,000 unemployed people. Total underutilisation was around 1.43 million people.

Chart 2: u-series headline level estimates (Seasonally adjusted)

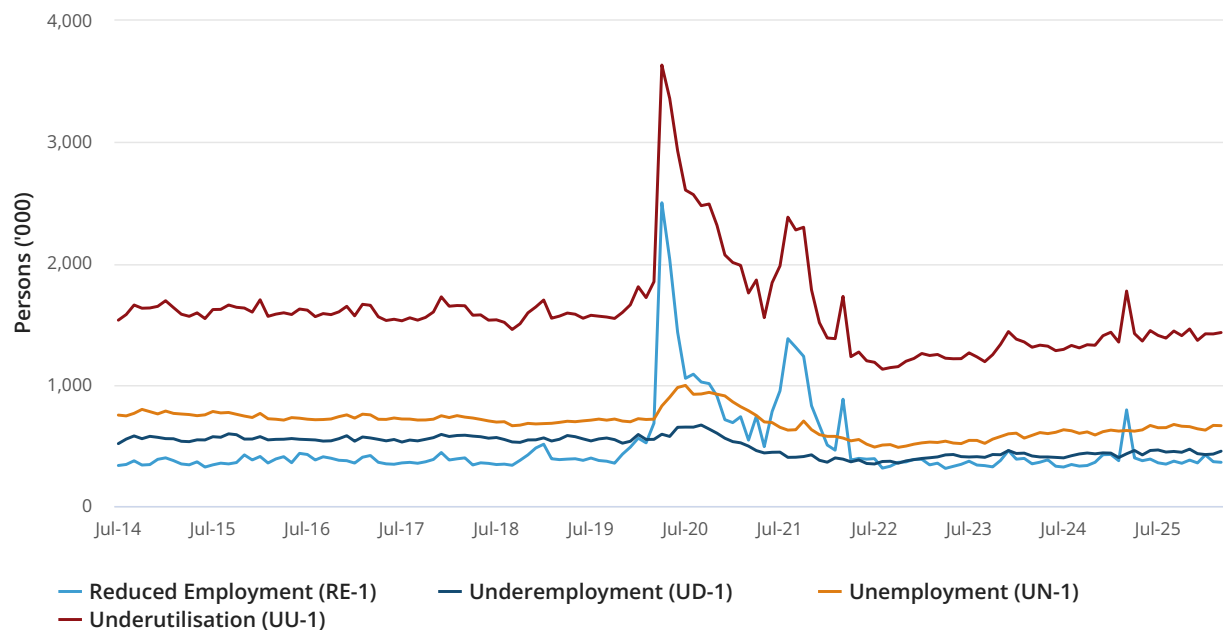
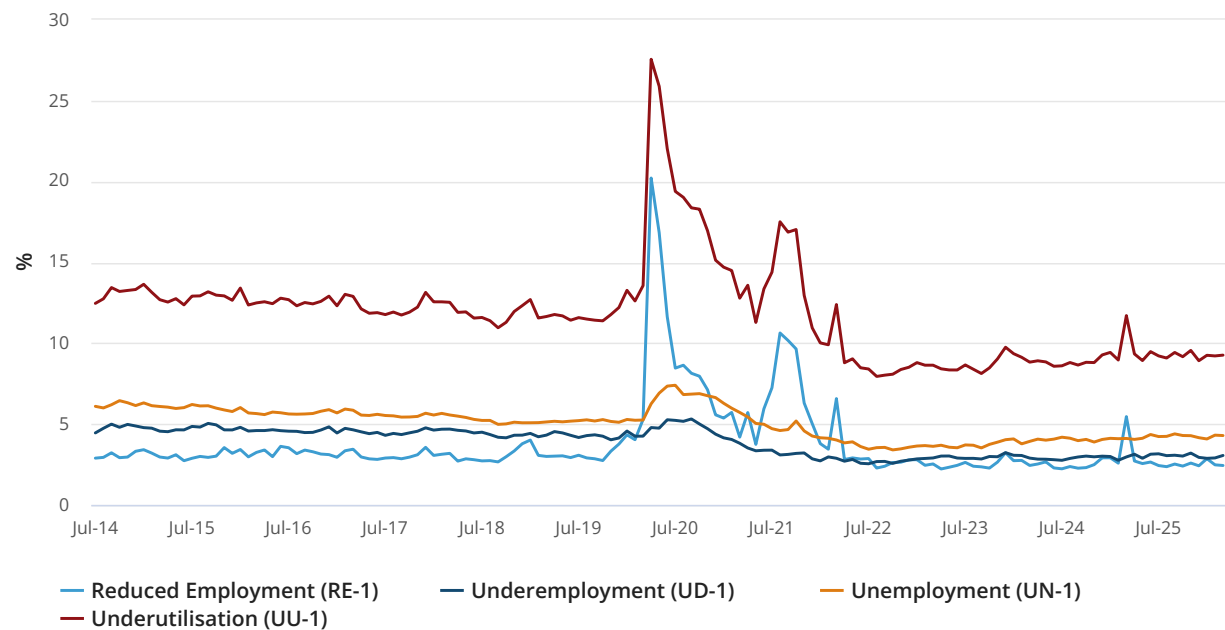


Chart 3 shows that the reduced employment rate (the proportion of employed who worked reduced hours for economic reasons) in March 2026 was 2.4%, and the u-series underemployment rate (the proportion of employed who prefer, were available and looked for more hours) was 3.1%. The combined underutilisation amongst the employed population was 5.2% (the sum of the components does not equal the total as there are people who are simultaneously working less hours than usual and prefer more hours than usual).

This compares to an unemployment rate in March 2026 of 4.3%. The total u-series labour force underutilisation rate was 9.3%.

Chart 3: u-series headline rates (Seasonally adjusted)



Charts 4 and 5 provide volume, or hours-based, estimates of the key u-series groups, showing the total number of 'hours not worked' by underutilised people. In March 2026 there were just under 29 million hours of available but unused labour supply, which results in volume rates of reduced employment of 0.7%, underemployment (1.1%), unemployment (3.5%) and labour force underutilisation (5.3%).

Chart 4: u-series headline volume (hours-based) level estimates (Seasonally adjusted)

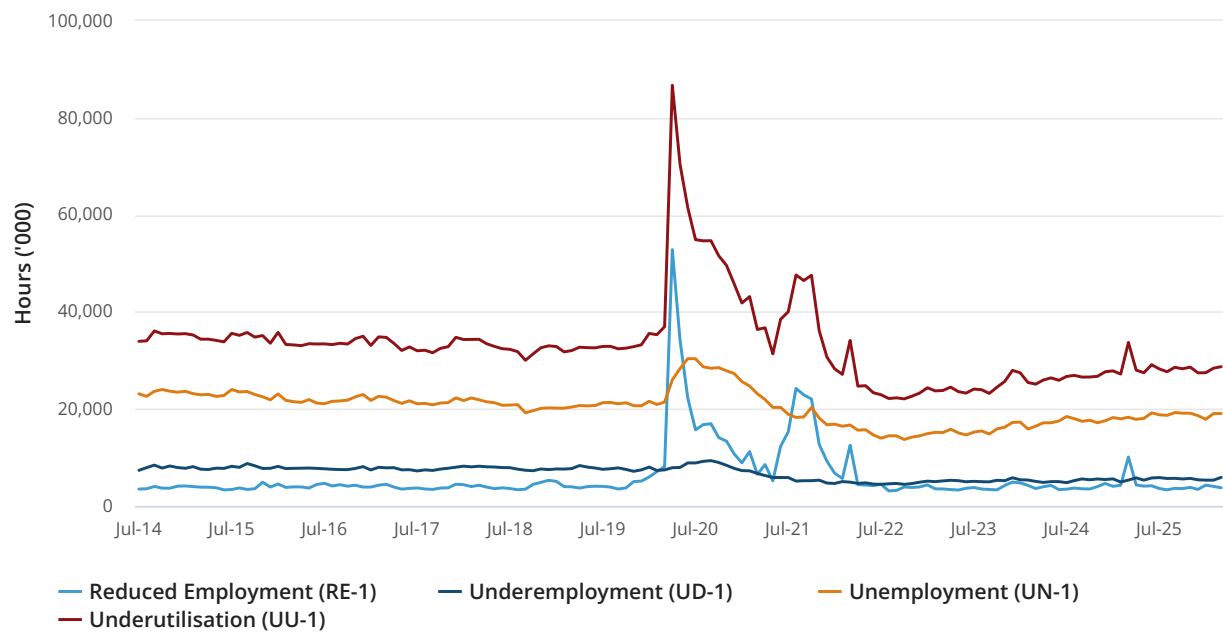
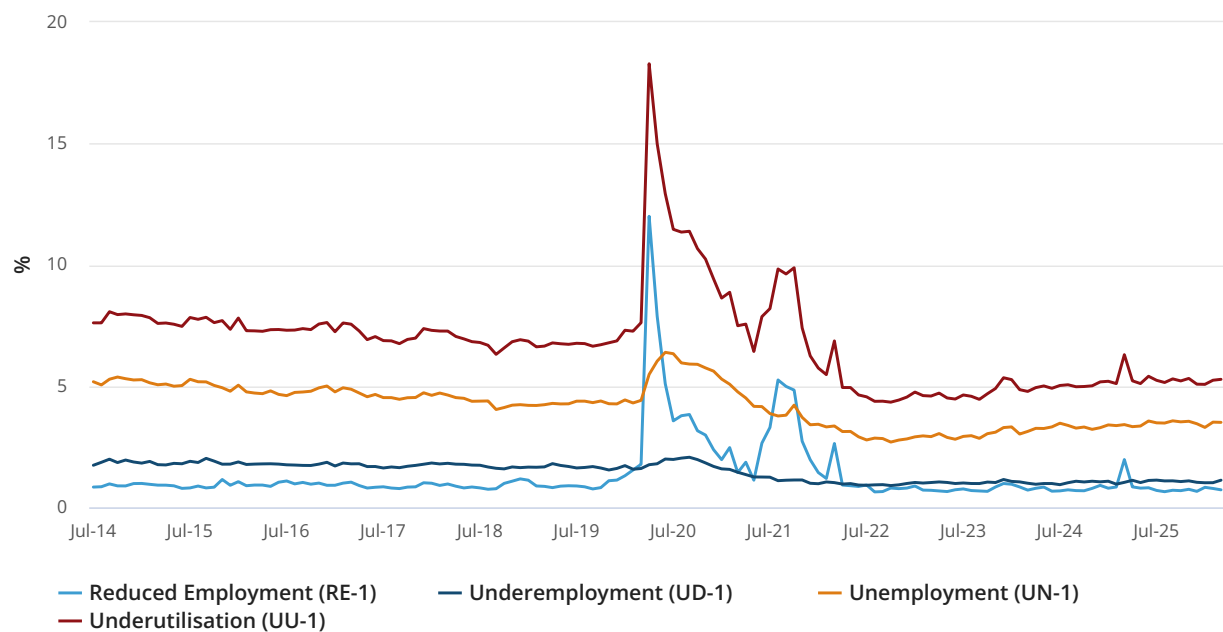


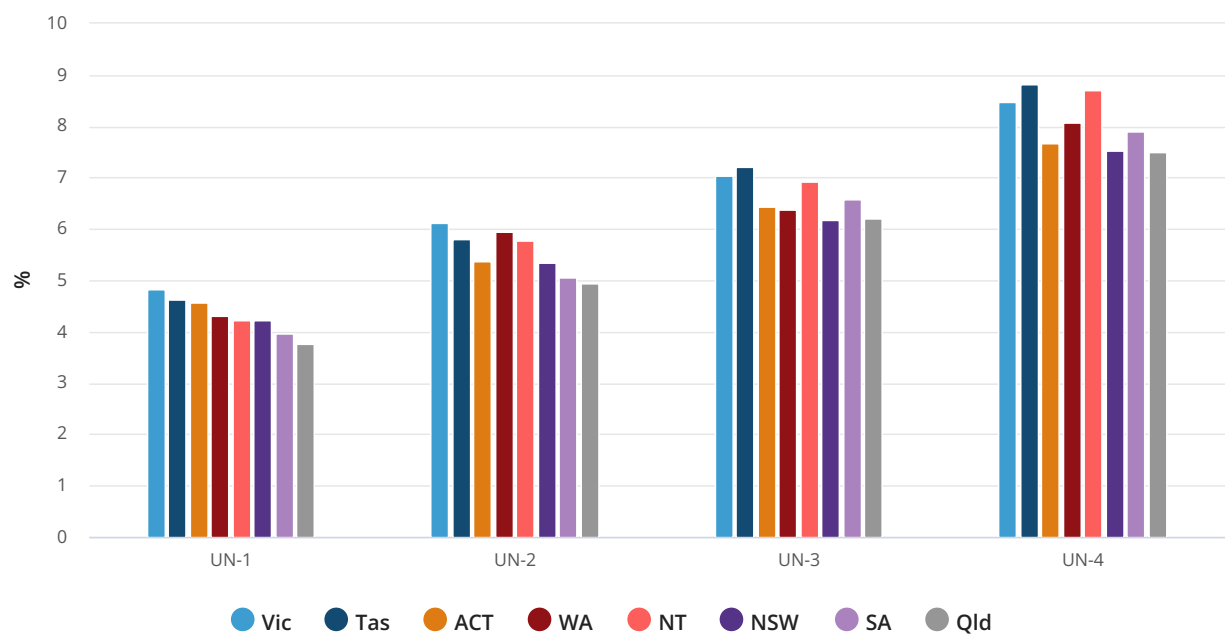
Chart 5: u-series headline volume (hours-based) rates (Seasonally adjusted)



States and territories

Chart 6 shows the rates for each level in the UN-series by state and territory for March 2026. The different u-series levels show that as the job search activity and/or availability criteria are relaxed there are differing impacts across states.

Chart 6: UN-series rates by State and Territory, March 2026 (Seasonally adjusted)



Additional u-series

The following sections include data for all levels of the u-series – underemployment, reduced employment, unemployment and joblessness, and total underutilisation.

Underemployment (UD-series)

Charts 7 and 8 show the four u-series underemployment rates, for headcounts (people) and volumes (hours). UD-1, which is the headline u-series measure of underemployment is the lowest (at 3.1% for March 2026) as it applies the strictest conceptual criteria (consistent with the unemployment rate).

In comparison to the headline figure of 3.1%, series UD-3 in Chart 7 shows that 7.8% of employed people prefer and are available for more hours in the reference week (although they may not have looked for more hours). Data from the Participation Job Search and Mobility supplementary survey shows that generally only around half of part-time people who prefer more hours looked for more hours.

Relaxing the criteria even further to count employed people who are available in the next 4 weeks rather than just in the reference week (series UD-4) results in a rate of 9.4%.

Chart 7: Underemployment u-series headcount rates (Seasonally adjusted)

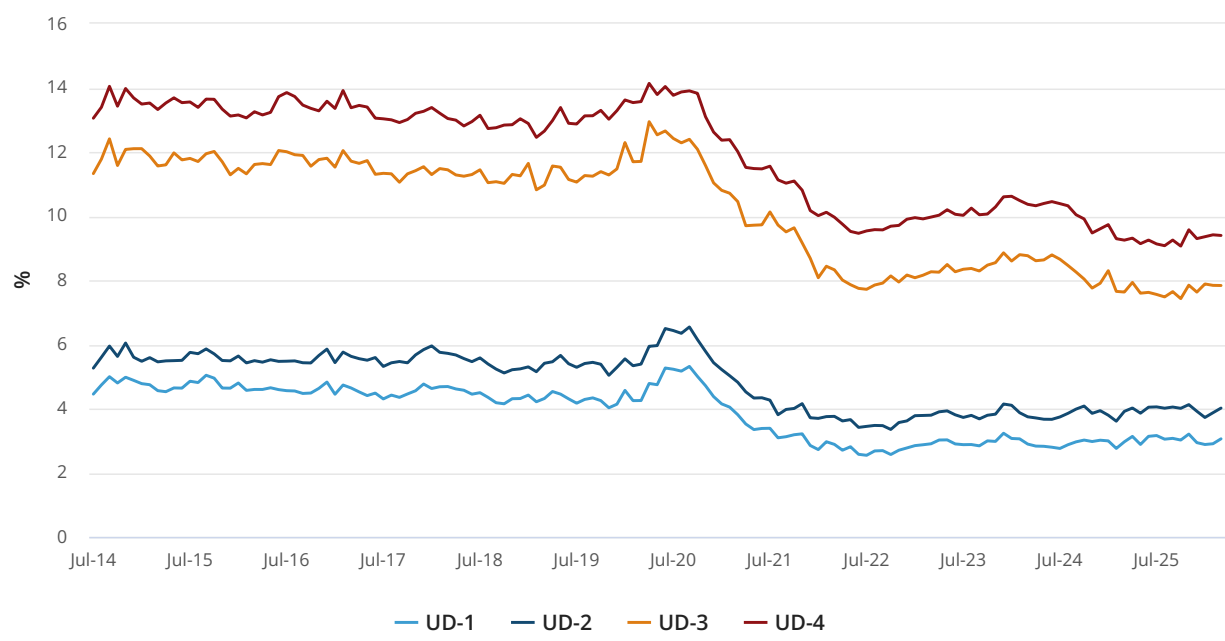
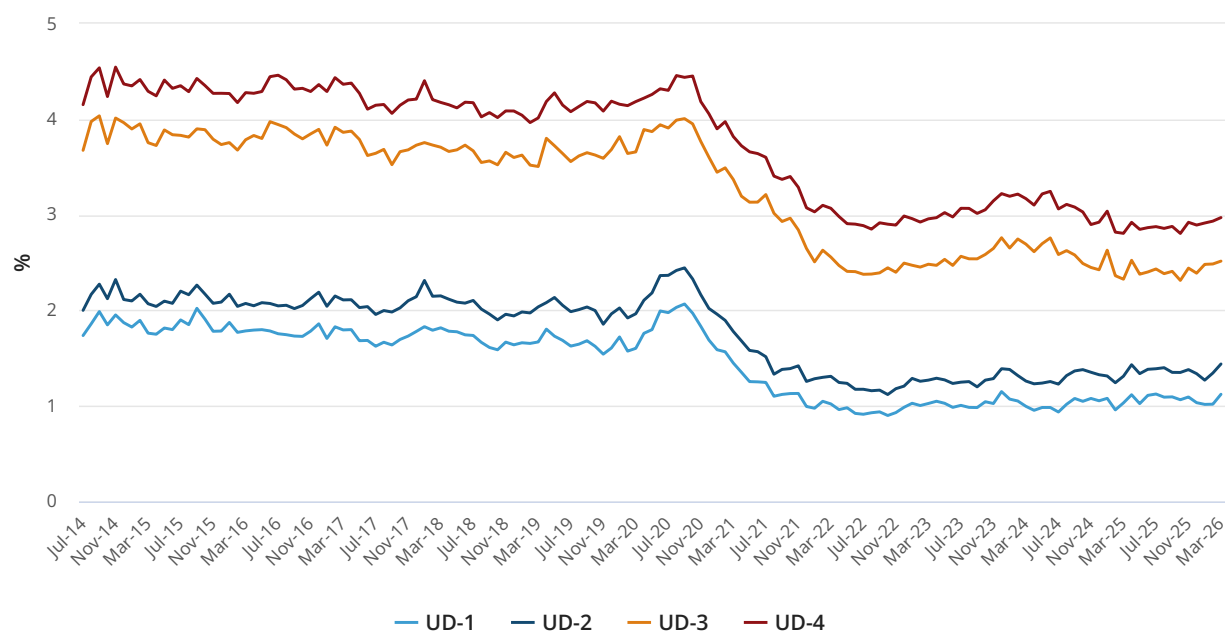


Chart 8: Underemployment u-series volume (hours-based) rates (Seasonally adjusted)



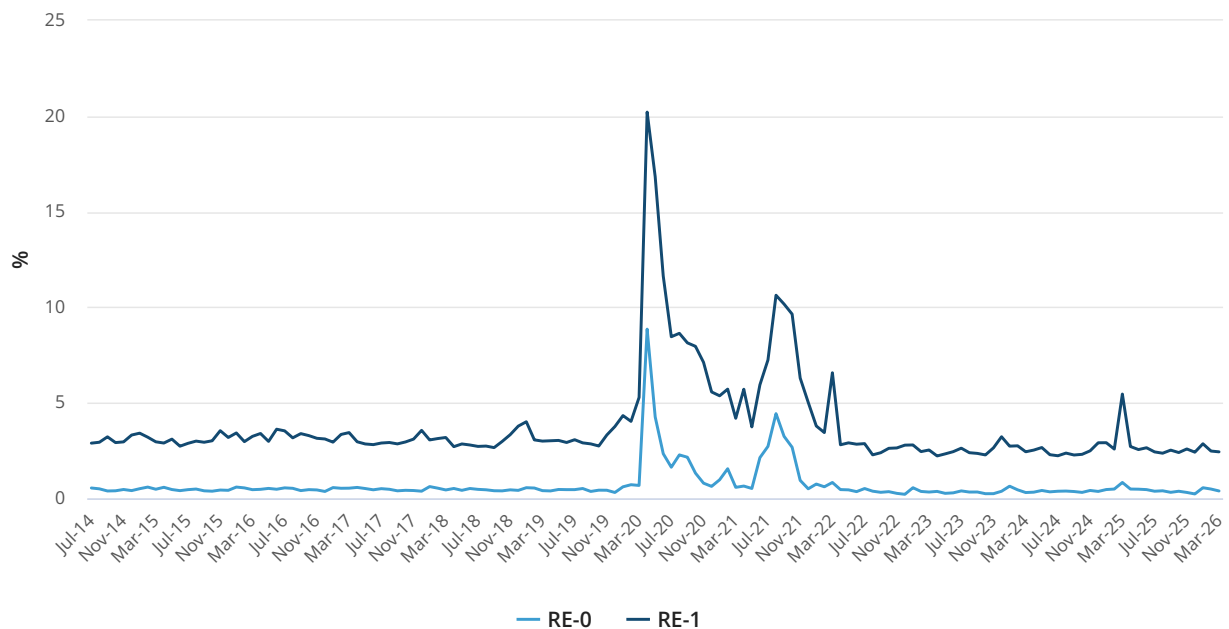
Reduced Employment (RE-series)



Charts 9 and 10 show the reduced employment series. The concepts of availability and activity are not relevant to the reduced employment series, as these people have instead had their usual hours temporarily reduced, which is why there isn't the equivalent levels 2, 3 and 4. For the people who have had their hours reduced involuntarily, it is assumed that they would have worked the hours otherwise.

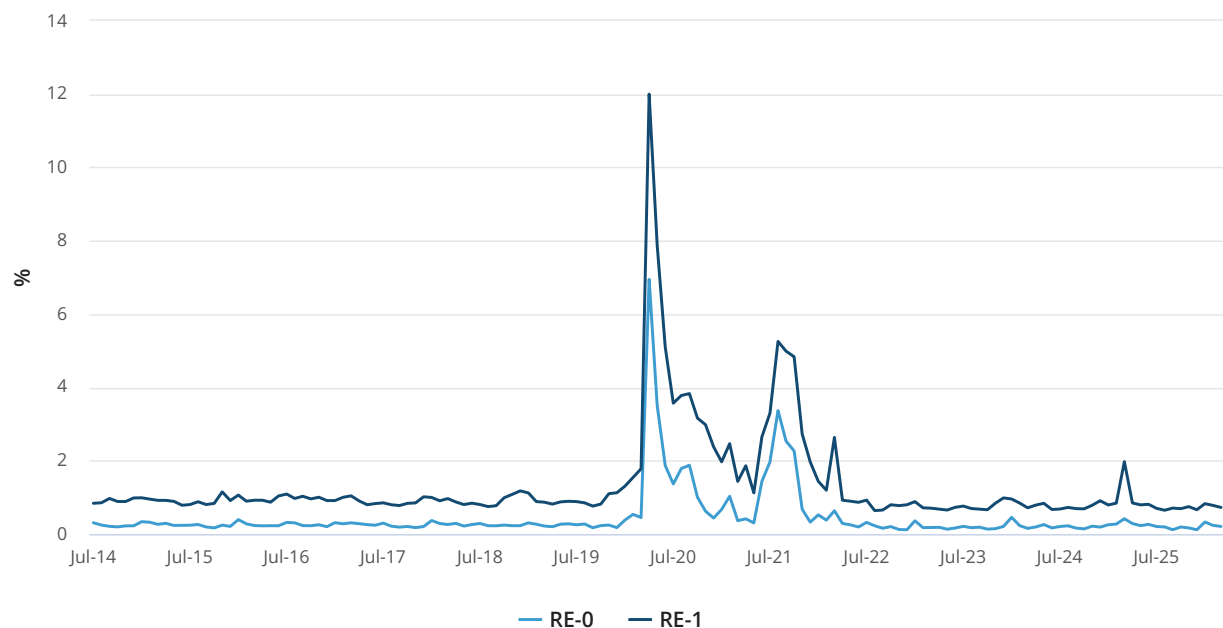
The reduced employment series has a Level 0, which is the subset of people who worked zero hours during the reference week, rather than working some reduced hours during the week.

Chart 9: Reduced employment u-series headcount rates (a)



a. RE-0 is not seasonally adjusted and only available as an original series. RE-1 is seasonally adjusted.

Chart 10: Reduced employment u-series volume (hours-based) rates (a)



a. RE-0 is not seasonally adjusted and only available as an original series. RE-1 is seasonally adjusted.

Unemployed and Jobless (UN-series) ^

Charts 11 and 12 show the u-series rates for unemployment and jobless (on a headcount and volume basis), providing an alternate view of joblessness beyond unemployment and the labour force.

Chart 11 shows, in addition to the unemployed (UN-1) which is people who actively looked for work and were available in the reference week, the people:

- who did any job search activity (regardless of whether it is defined as 'active' job search) and were available for a job in the next 4 weeks (UN-2)
- who want to work and were available last week (regardless if they looked for work) (UN-3)
- who want to work and were available within the next 4 weeks (regardless if they looked for work) (UN-4)

These measures provide an increasingly broad view of joblessness and available labour supply. In March 2026, the unemployment rate (UN-1) was 4.3%. In comparison, the UN-2 rate was 5.5%, the UN-3 rate was 6.5% and the UN-4 rate was 7.9%.

Chart 11: Unemployed and jobless u-series headcount rates (Seasonally adjusted)

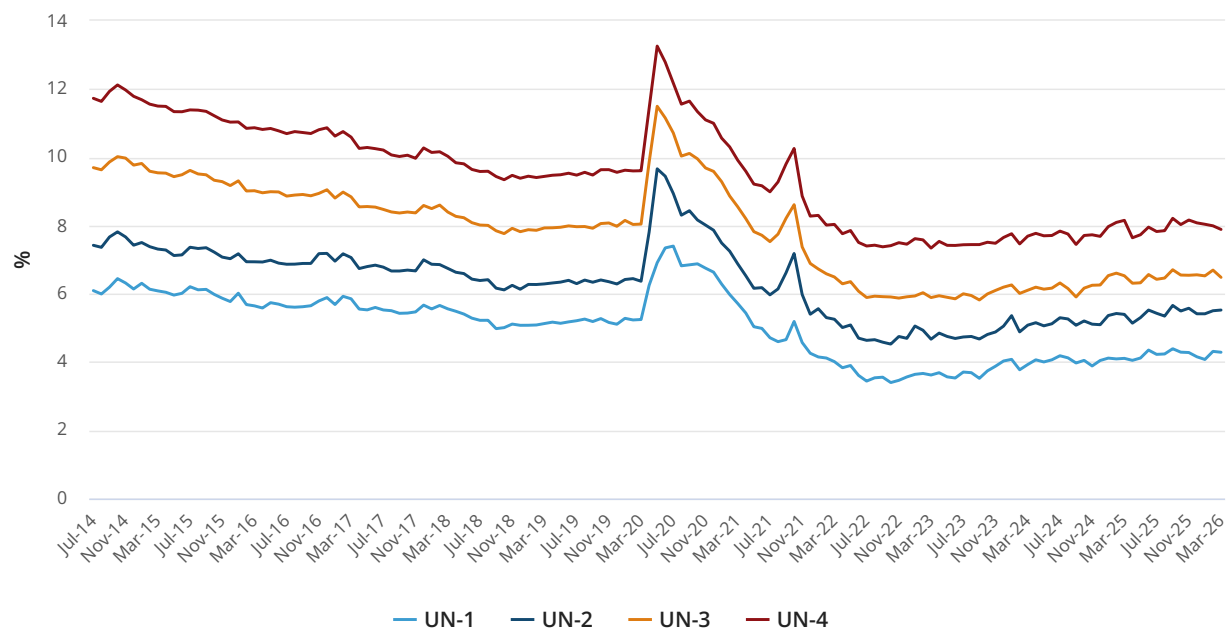
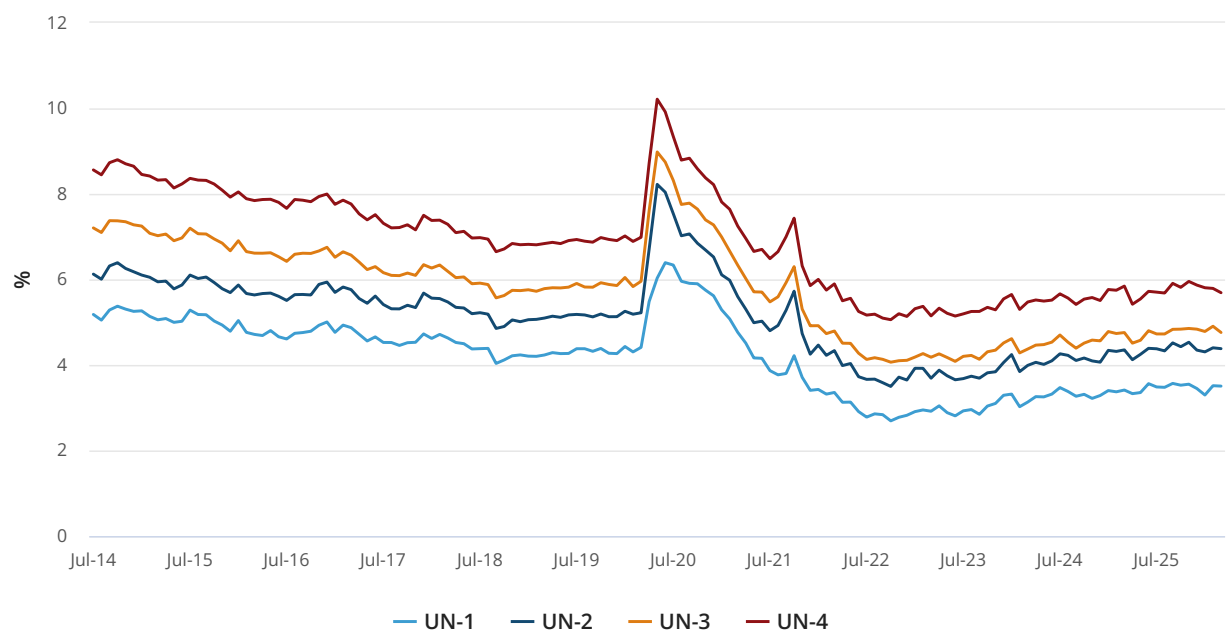


Chart 12: Unemployed and jobless u-series volume (hours-based) rates (Seasonally adjusted)



Underutilisation (UU-series)



Charts 13 and 14 combine the underemployed, reduced employment and unemployed and jobless groups to provide an overall view of labour underutilisation. They show that in March 2026, according to the broadest view of labour underutilisation, the extended labour force underutilisation rate was 18.1% (and 9.2% in volume terms).

Chart 13: Underutilisation u-series headcount rates (Seasonally adjusted)

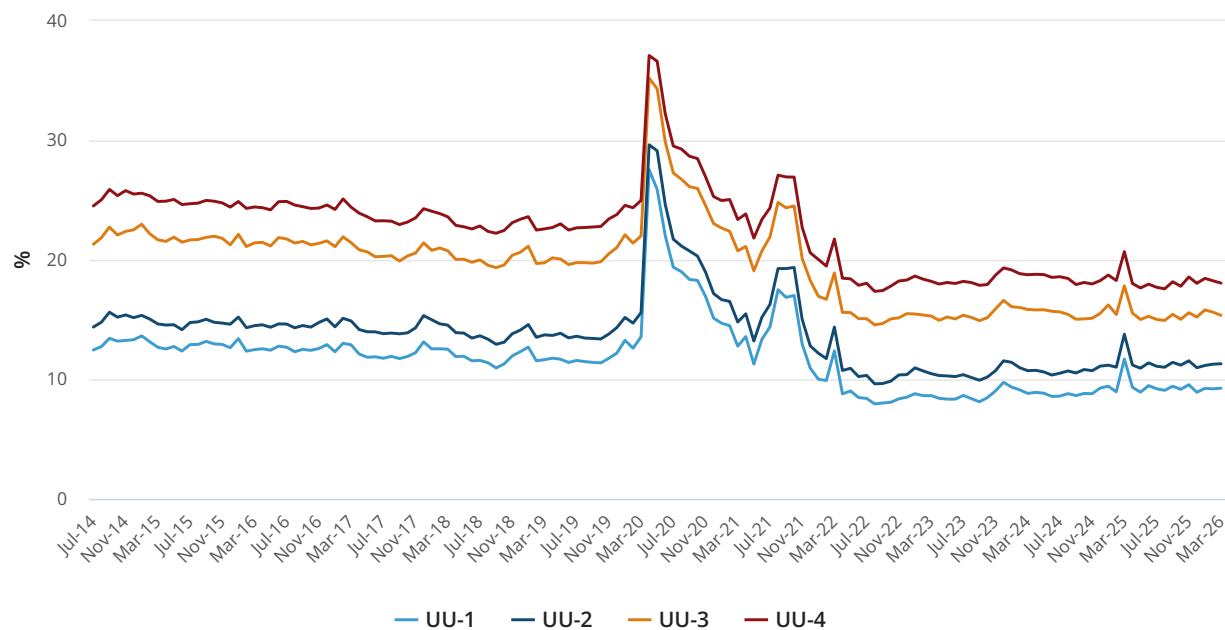
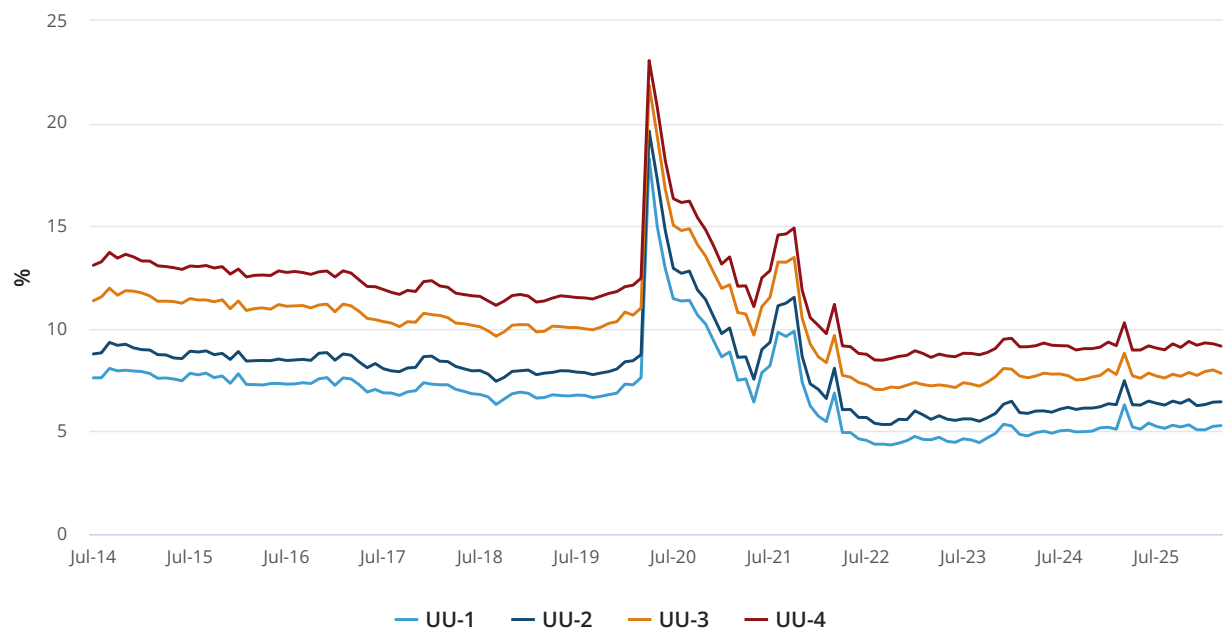


Chart 14: Underutilisation u-series volume (hours-based) rates (Seasonally adjusted)



u-series spreadsheets

The spreadsheets below include level estimates and associated rates for each measure in the u-series in original, seasonally adjusted and trend terms for the period July 2014 to March 2026.

While seasonally adjusted and trend data are included here, note that standard Labour Force Survey time-series adjustments (including applying trend breaks, where applicable) have not yet been applied.

u-series

Table U1. Underutilisation by State and Territory (u-series)

[Download XLSX](#)
[6.99 MB]

Table U2. Underutilisation by Age (u-series)

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[6.64 MB]

Table U3. Volume Measures of Underutilisation by State and Territory (u-series)

[Download XLSX](#)
[7.24 MB]

Table U4. Volume Measures of Underutilisation by Age (u-series)

[Download XLSX](#)
[6.85 MB]

Further information

If you have any questions on the u-series or would like to provide feedback, please email labour.statistics@abs.gov.au (mailto:labour.statistics@abs.gov.au).